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Effect of competence and compensation on work motivation: Moderation of performance appraisal

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Abstract

Effective public services hinge on adept human resource management in government, yet challenges persist. Chief among them is the lack of employee motivation and competence, impacting service quality. Bolstering work motivation and competence is crucial, alongside fair compensation and unbiased performance evaluations. Recognizing and harnessing employee motivation is key for optimal public service. This study delves into how performance appraisal moderates the effects of competence and compensation on work motivation in ASN employees of Balai Besar Pelaksanaan Jalan Nasional Jawa Timur – Bali in Bali Province.

Employing a quantitative approach, the research explores the interplay between competence, compensation, performance appraisal, and work motivation. Targeting ASN employees within the specified unit, the study employs saturated sampling, yielding 92 respondents. Data collected through questionnaires undergoes Moderated Regression Analysis (MRA) using IBM SPSS Statistics 25, following classical assumption tests.

Findings reveal the positive impact of competence on work motivation; enhancing competencies heightens motivation. Similarly, higher compensation positively influences work motivation. Surprisingly, performance appraisal does not moderate the effects of competence or compensation on work motivation. Competence, compensation, and performance appraisal collectively shape individual work motivation within the organization.

In conclusion, enhancing public service quality requires addressing employee motivation and competence issues. The study underscores competence and compensation as vital drivers of work motivation, while indicating a limited role for performance appraisal moderation. Elevating these aspects can substantially enhance public service efficiency and efficacy, benefiting both government bodies and the communities they serve.

Keywords: Competence; Compensation; Performance appraisal; Work motivation

1. Introduction

The ability of a country to manage resources is essential for progress. Human resources can be renewed and developed through management that includes recruiting, training, evaluating, and rewarding employees (Dessler, 2013). The government needs quality human resources for the best service to the community. The Indonesian Ministry of Administrative Reform (2018) emphasizes the commitment of civil servants to provide superior services. Challenges in public service cannot be ignored (Wakhid, 2017), it is necessary to focus on public satisfaction. The quality of public services depends on employees (Mahsyar, 2011). (Parsaoran, 2018) emphasize the involvement of competent

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individuals in governance, development, and social activities. Morale and work motivation are required for optimal service to stakeholders.

The existence of a government that is closer to the community aims to improve the quality of public services. This quality is closely related to the work motivation of government employees, which affects efforts to achieve organizational goals (Ismaryati, 2010; Rainey, 2009). The quality of services provided by government employees reflects their motivation, which is important for various aspects of organizational life (Robbins & Judge, 2017:254 ; Umeozor, 2018).

Initial interviews with employees indicated a lack of motivation to achieve, which was related to a perceived lack of competence and development opportunities. Despite trying to improve competencies through education and training, it was difficult to get training opportunities and permission from the leadership. Supervisors' appraisals are perceived as subjective, and employees are also dissatisfied with financial rewards.

Additional interviews with the staffing department confirmed this work motivation issue. Employees still lack motivation and only complete tasks without a passion for achievement. Lack of competence and dissatisfaction with compensation are the main causes of this problem, especially since compensation is fixed without considering the difficulty of the task.

Research (Fachrizi, 2019) found the need to increase the competence of government employees. Currently, competency improvement in government agencies is still limited to activities such as work meetings, seminars, and workshops. However, the knowledge of civil servant apparatus related to tasks, work programs, and stages of implementation has not been evenly distributed. Competence plays an important role in increasing individual work motivation, including knowledge, operational and relational skills, and sensitivity to motivators (Aguinis, 2013).

Other studies (Bachri Thalib & Manda, 2016; Suyanto, 2018) reveal that competence has a positive influence on employee work motivation. However, inconsistent findings also exist, such as research (Astuti, 2020) which shows that at Muhammadiyah Magelang University, competence actually has a negative effect on work motivation. This shows that the relationship between competence and work motivation can be different depending on the context and other factors.

1.1. H1 : Competence has a positive and significant effect on Work Motivation

In addition to competence, compensation also affects work motivation (Riyadi, 2011). Compensation includes financial and non-financial. Financial compensation includes salary, health insurance, and facilities, while non-financial compensation involves job satisfaction and psychological environment (Santosa & Rosanto, 2019). Compensation is an important factor that motivates employees to work better (Harras, 2019).

Other research, such as that conducted by (Dewi & Surya, 2022), shows compensation has a positive and significant effect on work motivation. Another study found financial compensation such as salaries, bonuses, and benefits affect work motivation (Khalidah & Adi, 2022). Similarly, research (Reginald & Andani, 2022) found a positive relationship between compensation and work motivation, including psychological aspects in good working conditions. This shows that compensation is not only a material issue, but also relates to other factors that affect work motivation.

1.2. H2 : Compensation has a positive and significant effect on Work Motivation

(Murdianto, 2014) states that the performance appraisal system affects work motivation. (Prasasti et al., 2016) stated that performance appraisal can increase an individual's work motivation. Work motivation is defined as an intrinsic trait that encourages a person to persevere when engaged in challenging tasks or activities, (Bonsu & Kusi, 2014). The performance appraisal system has significant results on work motivation, (Ds & Amir, 2022). Competence is one of the factors that can increase an individual's work motivation.

1.3. H3 : Performance appraisal moderates the effect of Competence on Work Motivation

All organizations generally expect their employees to have high work motivation so that employees always have the drive to achieve organizational goals. One way to increase work motivation is through compensation, (Reginald & Kurniati, 2022). (Sumampouw et al., 2016) found that work motivation from the company, one of which is the provision of compensation, has a considerable influence on employee work motivation. (Tafonao, 2023) found that performance appraisal has a very strong positive effect on employee motivation.

1.4. H4 : Performance Appraisal moderates the effect of Compensation on Work Motivation

Based on the research that has been done, research was conducted to determine the effect of Competence and Compensation on Work Motivation with moderation of Performance Appraisal (Study on the Organizational Unit of the Work Unit of the East Java - Bali National Road Implementation Center in Bali Province) so that the concepts and interrelationships between variables to be studied can be explained through the following conceptual framework scheme:

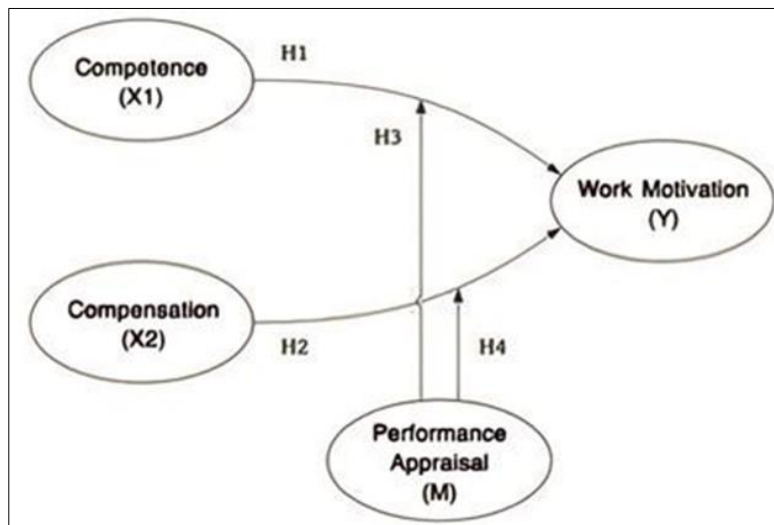


Figure 1 Conceptual Framework

2. Material and methods

2.1. Research Design

This study uses a quantitative approach to explain the relationship between variables involving competence, compensation, performance appraisal, and work motivation in employees. Data were obtained through questionnaires and analyzed using Moderated Regression Analysis (MRA) with the support of IBM SPSS Statistics version 25, then the interpretation results were presented in the research conclusions.

2.2. Population and Sample

The population in this study, namely using all employees in the organizational unit of the East Java-Bali National Road Implementation Center Work Unit in Bali Province with a total of 92 (ninety-two) people. The sampling technique used is the saturated sample method technique which is expected to be able to show the perceptions of employees as a whole without differentiating them.

2.3. Data Collection

The data collection methods used in this study were interviews and questionnaires. In this study, in-depth interviews were used to provide a more detailed explanation of the questionnaire data. The results of the interviews indicated low optimization of work motivation. The preliminary study involved structured interviews to confirm and explore work motivation issues and strengthen the research results. The collection of questionnaire data filled with several lists of questions was done online with the use of google form. The google form link will be sent through the whatsapp messaging application which will then be forwarded and filled in by respondents.

2.4. Data Analysis Technique

Data analysis techniques or methods in quantitative research use statistics which consist of two types, namely descriptive and inferential analysis. Descriptive statistics are statistics used to analyze data by describing or describing the data that has been collected as is without intending to make conclusions that apply to the public or generalizations (Imam Ghazali, 2018:19). Inferential statistical analysis is a statistical calculation used to draw conclusions from findings based on sample observations of a larger population (Imam Ghazali, 2018:227). The analysis technique used is

Moderated Regression Analysis (MRA). The data obtained from the research results will be analyzed with IBM SPSS Statistics 25 software.

3. Results

3.1. Inferential Analysis

3.1.1. Validity Test

The validity test was used to evaluate the validity of the questionnaire in the study. Validity is measured by correlating the statement item score with the total score using Pearson Correlation. The validity of the instrument can be stated if the r-count value > r-table. In this context, the r-count value with $n = 90$ and $\alpha = 0.05$ is 0.2050. The results of the validity test can be seen in the following table.

Table 1 Validity Test Results

Variable	Indicator	Pearson Correlation	Pearson Correlation Table Reference ($n = 90$ $\alpha = 0.05$)	Information
		(score result)		
Y	Y1	0.674	0.205	Valid
	Y2	0.624	0.205	Valid
	Y3	0.647	0.205	Valid
	Y4	0.543	0.205	Valid
	Y5	0.707	0.205	Valid
	Y6	0.594	0.205	Valid
	Y7	0.655	0.205	Valid
	Y8	0.67	0.205	Valid
X1	X1.1	0.535	0.205	Valid
	X1.2	0.629	0.205	Valid
	X1.3	0.73	0.205	Valid
	X1.4	0.722	0.205	Valid
	X1.5	0.612	0.205	Valid
	X1.6	0.572	0.205	Valid
X2	X2.1	0.706	0.205	Valid
	X2.2	0.628	0.205	Valid
	X2.3	0.686	0.205	Valid
	X2.4	0.691	0.205	Valid
	X2.5	0.698	0.205	Valid
	X2.6	0.733	0.205	Valid
	X2.7	0.479	0.205	Valid
M	M1	0.722	0.205	Valid
	M2	0.76	0.205	Valid
	M3	0.723	0.205	Valid
	M4	0.77	0.205	Valid

M5	0.619	0.205	Valid
M6	0.697	0.205	Valid
M7	0.491	0.205	Valid
M8	0.511	0.205	Valid
M9	0.629	0.205	Valid
M10	0.849	0.205	Valid
M11	0.753	0.205	Valid
M12	0.729	0.205	Valid
M13	0.375	0.205	Valid
M14	0.69	0.205	Valid
M15	0.788	0.205	Valid

3.1.2. Reliability Test

Reliability test is a way to assess the reliability of a questionnaire as an indicator of construct variables. The questionnaire is considered reliable if the response from the question is consistent over time. The instrument is said to be reliable and reliable if it has Cronbach's Alpha > 0.60 (Imam Ghozali, 2018:213). The reliability test results are listed in the table below.

Table 2 Reliability Test Results

Variable	Cronbach's Alpha	Minimum Value	Information
Y	0.791	0.6	Reliable
X1	0.683	0.6	Reliable
X2	0.781	0.6	Reliable
M	0.91	0.6	Reliable

3.2. Classic Assumption Test

3.2.1. Normality Test

The normality test is conducted to check the distribution of residual values. The one sample Kolmogorov-Smirnov statistical test is used to detect the normality of the regression equation. The regression equation is considered normal if the significance value of the Kolmogorov-Smirnov test is > 0.05. The test results show that the data is normally distributed with a significance value > 0.05. The results of the normality test can be seen in the following table.

Table 3 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		92
Normal Parameters ^{a,b}	Mean	0.0000000
	Std. Deviation	2.21876087
	Absolute	0.077

Most Extreme Differences	Positive	0.077
	Negative	-0.052
Test Statistic		0.077
Asymp. Sig. (2-tailed)		0.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the table, it can be seen that the significance of the Kolmogorov-smirnov value is above the 5% or 0.05 confidence level, which is 0.200, indicating that the data is normally distributed.

3.2.2. Muticollinearity Test

The muticollinearity test aims to test whether the regression model found a correlation between independent variables. A good regression model should not have a correlation between the independent variables, which in this case is used to analyze the tolerance and VIF values. If the tolerance value > 0.10 and VIF < 10, it means that there is no muticollinearity in the study. If the tolerance value < 0.10 and VIF > 10, then there is a muticollinearity disorder in the study (Imam Ghozali, 2018:107). The muticollinearity test results can be seen in the following table.

Table 4 Muticollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.568	2.542		1.404	0.164		
	Competence	0.643	0.144	0.455	4.465	0.000	0.439	2.280
	Compensation	0.099	0.096	0.093	1.025	0.308	0.558	1.793
	Performance Appraisal	0.179	0.059	0.310	3.052	0.003	0.441	2.269

a. Dependent Variable: Work Motivation

The table above shows that the tolerance value of all variables is more than 0.10 and the VIF value of all variables is not greater than 10, based on the muticollinearity test results, it can be concluded that the proposed regression model equation is suitable for use and there are no problems or symptoms of muticollinearity between variables.

3.2.3. Heteroscedacity Test

The heteroscedacity test aims to test if the regression model has an inequality of variance from the residuals of one observation to another, to detect the presence of heteroscedacity, it can be done using the Glejser test. The test results will be presented in the table below. If the significance value is greater than 0.05, there is no heteroscedacity, if the significance value is smaller than 0.05, there is heteroscedacity. The results of the heteroscedacity test can be seen in the following table.

Table 5 Heteroscedacity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.243	1,571		1,428	0,157
	Competence	0.027	0,089	0,048	0,303	0,763
	Compensation	0.044	0,060	0,105	0,744	0,459
	Performance Appraisal	-0.039	0,036	-0,171	-1,076	0,285
a. Dependent Variable: ABS_RES						

The table shows that the probability of significance value for all independent variables has a significance level above the 0.05 confidence level. So, it can be concluded that the regression model does not contain heteroscedacity.

3.3. Hypothesis Testing

3.3.1. Moderated Regression Analysis (MRA)

The analysis technique used in this study is Moderated Regression Analysis (MRA) to determine the effect of independent variables, namely competence, on work motivation as the dependent variable by using performance appraisal as a moderating variable, to determine whether the moderating variable we use does moderate variable X against Y, it is necessary to know the following criteria:

Table 6 Moderation Type Criteria

Test Result	Moderation Type
b2 non significant	Pure Moderation
b3 significant	
b2 significant	Quasi Moderation
b3 significant	
b2 significant	Predictor Moderation
b3 non significant	
b2 non significant	Homologizer Moderation
b3 non significant	
Description :	
b2 : Moderating Variable	
b3 : Interaction between each independent variable	

3.3.2. Determination Coefficient Test (R²)

The coefficient of determination analysis is carried out to see how much the ability of the independent variable to influence the dependent variable. The results of the coefficient of determination test in this study are as follows:

Table 7 Determination Coefficient Test Results (R^2)

Model Summary ^b						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	0.775 ^a	0,600	0,586		2,256	1,972
a. Predictors: (Constant), Performance Appraisal, Compensation, Competence						
b. Dependent Variable: Work Motivation						

The table above shows that the R^2 (R Square) value of the regression model is used to determine how much the ability of the independent variable (independent) in explaining the dependent variable (dependent), from the table it is known that the R^2 value is 0.600, this means that 60 percent which indicates that work motivation is influenced by the Performance Appraisal, Compensation and Competency variables, the remaining 40 percent is influenced by other variables outside this study.

3.3.3. Model Fit Test (F test)

The F test is used to evaluate the feasibility of the research model. The purpose of the F test is to assess the joint impact of the independent variables and moderation variables on the dependent variable. The F test results are evaluated at a significance level of $\alpha = 0.05$, if $F \leq \alpha = 0.05$ then the independent and moderation variables are significant in the dependent variable, indicating that the regression model is suitable for testing. The following are the results of the F test in this study.

Table 8 Model Fit Test Results (Uji F)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	671,701	3	223,900	43,982	0.000 ^b
	Residual	447,984	88	5,091		
	Total	1119,685	91			
a. Dependent Variable: Work Motivation						
b. Predictors: (Constant), Performance Appraisal, Compensation, Competence						

The table shows that the multiple regression test shows the F count of 43.982 with a significance level of 0.000 which is smaller than 0.05, where the F count value (43.982) is greater than the F table value of 2.71 obtained from the formula $df_1 = k$ where k is the number of independent variables, so $df_1 = 3$ and $df_2 = n - k - 1$ where n is the number of respondents, k is the number of independent variables, so $df_2 = 92 - 3 - 1 = 88$, meaning compensation and competence, together have an effect on work motivation.

3.3.4. Partial Test (t test)

Partial significance test (t test) is used to determine the effect of independent variables and moderation variables on the dependent variable. The significance level (α) used is 5% or 0.05. The results of the partial significance test (t test) in the study are as follows.

Competence Affects Work Motivation

Table 9 Partial t Test H1 Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,711	2,425		3,180	0,002
	Competence	1,036	0,101	0,733	10,229	0,000
a. Dependent Variable: Work Motivation						

Based on the table above, the competency variable has t count (10.229) > t table (1.987) at a significance level of 0.05. Probability 0.000 < 0.05, so H1 is accepted, showing a positive and significant effect of competence on work motivation. These results indicate that the higher the employee's competence, the higher the employee's work motivation.

Compensation Affects Work Motivation

Table 10 Partial t Test H2 Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16,042	2,543		6,309	0,000
	Compensation	0,602	0,093	0,564	6,471	0,000
a. Dependent Variable: Work Motivation						

Based on the table above, the compensation variable has t count (6.471) > t table (1.987) at a significance level of 0.000 < 0.05. Therefore, H2 is accepted, showing a positive and significant effect of compensation on work motivation. This result shows that the higher the employee compensation, the higher the work motivation.

Performance appraisal moderates the effect of Competence on Work Motivation

To find out how the role of performance appraisal variables in moderating the effect of competence on work motivation, hypothesis testing involving moderating variables can be described as follows:

Table 11 Partial t Test H3 Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,972	2,512		1,581	0,117
	Competence	0,690	0,136	0,488	5,064	0,000
	Performance Appraisal	0,198	0,056	0,343	3,556	0,001

a. Dependent Variable: Work Motivation						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-27,795	18,801		-1,478	0,143
	Competence	1,973	0,765	1,396	2,581	0,012
	Performance Appraisal	0,732	0,318	1,267	2,301	0,024
	Competence Performance Appraisal *	-0,021	0,013	-1,700	-1,705	0,092
a. Dependent Variable: Work Motivation						

The Moderated Regression Analysis (MRA) results in the table above show the moderation variable X1M with a significance value of 0.092 > 0.05, and the coefficient of -.021 indicates that performance appraisal does not moderate the effect of competence on work motivation, so H3 is rejected. This study found that the performance appraisal variable is not a moderating factor in the relationship between competence and work motivation. The interaction coefficient b2 is significant, while b3 is not significant, indicating that the performance appraisal variable acts as a predictor in the relationship model (Imam Ghozali, 2018:222).

Performance appraisal moderates the effect of Compensation on Work Motivation

To find out how the role of performance appraisal variables in moderating the effect of compensation on work motivation, hypothesis testing involving moderating variables can be described as follows:

Table 12 Partial t Test H4 Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,534	2,702		2,418	0,018
	Compensation	0,238	0,101	0,222	2,363	0,020
	Performance Appraisal	0,321	0,054	0,555	5,896	0,000
a. Dependent Variable: Work Motivation						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		

1	(Constant)	-19,896	19,077		-1,043	0,300
	Compensation	1,177	0,679	1,101	1,734	0,086
	Performance Appraisal	0,763	0,321	1,320	2,380	0,019
	Compensation * Performance Appraisal	-0,016	0,011	-1,482	-1,399	0,165
a. Dependent Variable: Work Motivation						

The Moderated Regression Analysis (MRA) results in the table above show the moderation variable X2M with a significance value of $0.165 > 0.05$. This indicates that performance appraisal does not moderate the effect of compensation on work motivation, so H4 is rejected. This study shows that the performance appraisal variable is not a moderating factor in the relationship between compensation and work motivation. The interaction coefficient b2 is significant, while b3 is not significant, indicating that the performance appraisal variable acts as a predictor in the relationship model (Imam Ghozali, 2018:222).

4. Discussion

4.1. The Effect of Competence on Work Motivation

The results indicated the positive and significant influence of Competence on work motivation. The increase in employee competence has implications for increasing their work motivation. Competence is one of the drivers of increased individual motivation. Studies by (Triyanto & Sudarwati, 2014), (Tejo & Machasin, 2015), and (Riyanto & Anto, 2022) also concluded that competence has a positive and significant influence on work motivation, in line with similar findings from other studies.

The results of descriptive statistical analysis of respondents on perceptions of competence in terms of ability to complete work, consistency of behavior, and ethical standards set by the organization have a positive and significant effect on work motivation. This confirms that organizations need to develop employee competencies on an ongoing basis to support employee work motivation in achieving overall organizational goals.

4.2. The Effect of Compensation on Work Motivation

This study indicated that compensation has a positive and significant impact on work motivation. An increase in employee compensation contributes to an increase in their motivation. This finding is in line with previous research, such as that conducted by (Sumampouw et al., 2016), which found that compensation has a major impact on employee work motivation. Another study by (Gulo, 2020) also confirmed that compensation has a positive and significant effect on work motivation. Similar findings are also supported by research (Mubaroq & Zulkarnaen, 2017), which shows that the higher the level of compensation provided to employees, the higher the level of work motivation.

Descriptive statistical analysis of employee compensation perceptions, both in the form of financial (salary, wages, incentives) and non-financial (supervisor support, coworker support, health insurance, job satisfaction), shows a positive and significant influence on work motivation. Compensation is an important strategy for organizations to increase employee motivation and support overall organizational performance.

4.3. The Role of Performance Appraisal in Moderating the Effect of Competence on Work Motivation

Previous studies, such as those mentioned by (Murdianto, 2014), (Prasasti et al., 2016), and (Ds & Amir, 2022), have indicated that the performance appraisal system has an influence on work motivation. However, the results of this study indicate that performance appraisal does not moderate the effect of competence on work motivation. In this context, competence is considered a factor that directly affects employee work motivation, without the influence of performance appraisal as a moderating variable.

The role of performance appraisal based on the research results as a moderating predictor where the performance appraisal variable acts as a predictor / independent variable (intervening, exogenous, antecedent, predictor) in the

relationship model formed. Competencies possessed by employees will directly affect work motivation, without the moderating role of performance appraisal. This means that the competencies possessed and mastered by employees will directly contribute to individual work motivation, without dependence on performance appraisals.

4.4. The Role of Performance Appraisal in Moderating the Effect of Compensation on Work Motivation

Research (Reginald & Kurniati, 2022) shows that compensation is one way to increase work motivation, while (Tafonao, 2023) found that performance appraisal has a strong positive influence on employee work motivation. However, the results showed that performance appraisal did not moderate the effect of compensation on work motivation. In this context, compensation is considered as a factor that independently affects employee work motivation, without relying on performance appraisal as a moderating variable.

The results show that performance appraisal has a role as a moderating predictor in the relationship model formed. On the other hand, compensation received by employees has a direct impact on work motivation, without the moderating influence of performance appraisal. More specifically, performance appraisal plays a special role as a moderating predictor variable in the relationship between competence, compensation and work motivation. Performance appraisal is considered an evaluation tool that provides feedback that contributes to the improvement of individual performance.

5. Conclusion

The results showed a positive and significant influence between competence and employee work motivation. This finding indicates that increasing employee competence has the potential to increase their work motivation. This is in line with the principle of self-determination theory, where competence acts as an intrinsic motivation that motivates employees internally when they are able to complete tasks according to their abilities. Organizations also play an important role in placing employees according to the right tasks and functions. The alignment between individuals and positions in the organization is crucial to achieving organizational goals.

The results showed that compensation has a positive and significant effect on employee work motivation. A positive influence means that when the compensation received by employees increases, the work motivation of employees will be higher. According to self-determination theory, compensation is an extrinsic motivation that does not come from within the employee, but comes from the employee's environment.

The results showed that performance appraisal does not moderate the effect of competence on work motivation, this means that performance appraisal is not able to strengthen or weaken the effect of competence on work motivation, so the relationship between competence and work motivation is not influenced by performance appraisal factors. In this context, competence is considered as a factor that independently affects employee work motivation where competence will directly affect the level of employee work motivation without involving performance appraisal as a moderating variable.

The results showed that performance appraisal does not moderate the effect of compensation on work motivation, this means that performance appraisal is not able to strengthen or weaken the effect of compensation on work motivation, so the relationship between compensation and work motivation is not influenced by performance appraisal factors. In this context, compensation is considered as a factor that independently affects employee work motivation where compensation will directly affect the level of employee work motivation without involving performance appraisal as a moderating variable.

Compliance with ethical standards

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Disclosure of conflict of interest

All authors contributed positively to the writing of this manuscript and there no conflict of interest as agreed to the content of this research.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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